

NEWS RELEASE

CONTACT: Eric Reslock  
(916) 445-2181

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### **LEONARD'S AGENDA ADVISORY**

(SACRAMENTO)-- State Board of Equalization member Bill Leonard today announced some issues of note scheduled for the June 25 Board of Equalization meeting in Sacramento.

--- A perfect example of the Board being an 'obscure but powerful' body will involve the obscure question of when a corporation may file a combined report as a unitary body instead of filing separate returns for its subsidiaries. The company involved in a case before the Board is asking for \$17 million in refunds from the state because Franchise Tax Board found the company to be a unitary group while the company shows itself to be very independent of the holding company. [Corporate Franchise and Personal Income Tax Hearings, 2]

--- How far will the Board be willing to credit companies that invest in manufacturing? In a possible precedent-setting case, two companies are arguing that under the Manufacturing Investment Credit they should be allowed to claim the MIC credit against sales tax owed, instead of income tax. Over \$5 million is at stake for the companies. [Sales and Use Tax Appeals Hearings]

--- Should the Board make it easier for non-profit and charitable organizations to claim the property tax welfare exemption? [Legislative Committee, AA]

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